

# The Thirty-hour Week

Continued from last week  
We now turn from these longer-run considerations to the relation of the thirty-hour week to the problem presented by the depression itself. We must consider first the desirability of a shorter working week for the express purpose of spreading employment and thereby alleviating distress.

Is a shortened working week a satisfactory means of relief? A reduction of the working week to 30 hours is certainly one method of taking care of the relief problem. In round numbers we have 30 million employed workers and 10 million unemployed. If we assume that the work week is reduced from 40 to 30 hours every unemployed worker could presumably be given 30 hours of work. Since those to be brought in to share the work of those now employed would on the whole be less experienced and less efficient for the particular tasks in hand, their reabsorption in industry by means of the thirty-hour week would obviously mean a decrease in total industrial output and in the volume of goods and services available for supplying the wants of the people.

Other methods or combination of methods, for affording relief are clearly superior to spreading employment. They are on the whole beset with fewer practical difficulties, they are more equitable, and they do not lead to a reduction in total product. Any method of relief which provides new employment without interfering with the volume of output of those already employed has the positive advantage of adding to, rather than subtracting from the total production of goods and services.

Would the thirty-hour week generate recovery? In addition to reabsorbing the unemployed, the shorter work week, as we have seen has come to be conceived as a means of increasing total purchasing power and thereby stimulating business revival. The argument, in brief, is that the increase in total payroll disbursements would lead to increased purchases in trade channels, which would start the wheels of industry everywhere.

Conceding for the sake of the argument that the purchasing power theory of business recovery is sound we must nevertheless ask whether an expansion of purchasing power by means of the thirty-hour week is a feasible means of accomplishing the desired result. It should be clear from the analysis already made that a thirty-hour week would involve a simultaneous increase in wage rates and a decrease in productive efficiency. The volume of output would be declining at the same time that the payment of wages was increasing. This would perforce result either in bankrupting business or in a rise in prices more rapid than the expansion of payrolls. If the former alternative resulted, we obviously would not have recovery, but rather greatly intensified depression. In the latter alternative the rapid advance in prices would nullify the increased money wages.

In considering the relation of a reduction in hours to recovery, the inflexible character of the thirty-hour week must not be forgotten. Different lines of industry ordinarily have varying work schedules—adapted to the character of the labor involved, the arrangement of the machinery, and the requirements of different processes of production. A rigid universal thirty-hour week, or for that matter any other set number of hours, would put industry in a straight jacket and reduce efficiency. Even though in time business might possibly accommodate itself to an inflexible working schedule, the immediate effect would unquestionably be to retard recovery.

## The Thirty-Hour Week and the Level of Prices

It is reasonably clear from the preceding paragraphs that a sharp increase in wages, accompanied by a decrease in average efficiency, would exert through increased costs a direct effect upon prices. Let us see just how great an increase in wage costs is implied. Under the NRA codes the average "standard week" in industry is about 40 hours. Assuming this standard to be the basis for computing weekly wages when the hours were reduced to 30, an increase in hourly rates of wages by 33 1-3 per cent would result. If, however, the measure were applied on the basis of the actual hours worked at the time it took effect the average increase in wage rates would be somewhat less. This is because the actual length of the working week for industry as a whole is now appreciably less than 40 hours.

It is unnecessary to speculate as to the probable effects of such an increase in wage costs upon prices—for we have before us the comparable experience of the NRA. A

study which the Brookings Institution has made of the effect of wage increases upon prices since the establishment of the codes shows that the prices of manufactured commodities and the wage rates of the labor engaged in the production and distribution of these commodities had roughly an equivalent increase. Whether or not one thinks so extensive a rise in prices was warranted, it is none the less a fact; and it is a fact which has already apparently led to a material shift in point of view on the part of the Administration itself as to the practicability of the policies that have been pursued.

In the light of this experience, it would seem reasonable to believe that a further drastic curtailment of the working week would be followed by a commensurate increase in the prices of manufactured commodities. Indeed, in consequence of the decrease in average efficiency that would ensue, the rise in prices might well be more pronounced than was the case under the NRA codes.

It should be noted, however, that instead of recouping by means of an immediate rise in prices many business concerns might be confronted with serious immediate difficulties. In cases where prices could not be raised in anticipation of the increased costs, and where working capital is limited, it would be necessary to procure the funds with which to meet the enlarged payrolls by means of bank loans or the flotation of securities. It is scarcely to be doubted that the difficulties encountered during the past year, particularly in small industries, in procuring the funds necessary for increased operating costs would be greatly intensified by the establishment of a thirty-hour week.

## Effects Upon the Various Economic Classes

Assuming that the thirty-hour week could be installed on a national scale without throttling enterprise, it remains to trace its consequences. We shall consider first the effects upon various groups in the body politic, and, second, its relationship to other phases of national policy.

1. Wage earners. The thirty-hour week has been advanced primarily in the interests of the laboring class as a whole. Let us, therefore, consider just how it would affect the wage earners. At first glance it would appear that, since there would be no cut in wages, the position of the worker who is employed would in no wise be impaired. The truth is, however, that his real wages would be appreciably reduced in consequence of the rise in prices. Everything that he purchased which was produced by industries operating on the thirty-hour week schedule would, as we have seen, be substantially enhanced in price. Moreover, there would be a tendency for reasons already indicated, to freeze standards of living at the reduced level.

The special effects upon different wage earners will depend upon the method used in establishing the plan. At present there is a great variation in working hours among individual employees, different plants, and different industries. Thus, according to September, 1934, figures, the average meat packing was about 43 hours per week while in iron and steel it was less than 23 hours. If the measure were applied indiscriminately on the basis of the actual hours worked at the time it took effect, the workers in meat packing would obtain an average weekly wage based on 43 hours of work with added leisure of 13 hours, while those in iron and steel would presumably be left with average wages for a 23-hour week, with no possible increase of leisure.

2. Salaried and fixed income groups. It is not clear from current discussions whether the thirty-hour week would be made applicable to individuals working on salaries in industry and other occupations. If it did apply to them they would be affected in much the same way as wage earners. They would have more leisure, but this would be at the cost of a lower real income. If the thirty-hour week were not applied to this class, they would have the lower standards of living without an increase in leisure. Individuals living on fixed incomes would be adversely affected to the precise extent that prices rose.

3. Farmers. The 30 million people constituting the agricultural population would likewise be adversely affected. It is hardly to be expected that those who are pressing for this measure contemplate a thirty-hour week for the farmer. Although the farmer would thus not get any more leisure, he would find himself confronted with higher prices for all the commodities he has to purchase. The rise in prices would affect him both as a consumer and as a producer. The rise in his operating

costs would reduce his money income and the purchasing power of this money income would also be curtailed as a result of the rising level of prices.

It should also be pointed out that certain types of industries would be adversely affected. Regulated industries such as the railroads and public utilities, would be unable quickly to advance prices as wage rates and costs of production increased. In consequence, earnings would be naturally reduced; and in view of the slender margin of profits now existing we might well expect a new epidemic of bankruptcies. In any event, it would prevent such industries from contributing toward recovery by increased expenditures for replacements and new equipment.

## Relation to Other National Policies

Consideration must also be given to the possible effects of the thirty-hour week upon the government's program in general. Would it supplement other policies now being pursued, or would it tend to impede the national program of recovery? First, the proposal obviously works at direct cross purposes with the government's agricultural program. The effort is being made to bring about a better adjustment between agriculture and industry through raising the prices of farm commodities relative to the prices of industrial products. If the thirty-hour week were instituted, it would certainly defeat this objective.

Second, a thirty-hour week would tend to impede international commerce at a time when the United States is making a renewed effort to expand foreign trade. At this very juncture we are entering into negotiations with various foreign countries with a view to consummating arrangements for reopening the channels of international commerce—as a means of promoting world recovery. A sharp increase in American wages would be accompanied by an immediate demand for higher

tariffs as a means of protecting the American market from a vast increase in imports of cheaper foreign goods; and as a practical matter all chance of effecting any adjustment of tariff rates by negotiation would be gone. In any case the rise in costs and prices would increase the difficulties of American manufacturers in finding outlets abroad. Such a policy would thus work against a growth of exports and the increase of employment connected therewith.

Finally, it should be noted that this program ignores the experience gained under the NRA—with reference to the control of purchasing power, the safeguarding of the position of smaller industries, and the problems of regulation generally. In fact, the administration and enforcement of a thirty-hour week for industry generally would present far more intricate and baffling problems of policing and control than any yet encountered.

In summary, this analysis of the economic effects of the thirty-hour week clearly leads to the conclusion that the measure would not promote national welfare. It would prove detrimental to the interests of labor as well as other classes. It would not promote recovery and bids well to intensify the depression. At best its immediate effects would be a spread of employment at the expense of efficiency and productive output. In its long-run implications the measure offers to the workers of the country merely a choice between more leisure and a more abundant consumption of goods and services.

It goes without saying that it is the duty of the nation to prevent want among the unemployed. But to seek this end by a compulsory reduction of the hours of work, which would freeze the possible volume of production below the level required to give all the people the abundance they desire, is as short-sighted as it is lacking in understanding.

# What Others Say of Age Pension

These articles clipped from Oregon papers show trend of thought on Townsend Pension Plan.

**HE'S READY FOR IT**  
A hopeful and credulous elderly man from Applegate last week dropped in on the justice of the peace at Jacksonville to file his application for \$200 under the Townsend old age pension plan, an example of the disillusionment that must come to thousands of old people who have been used into expecting too much from the old age pension movement. As President Roosevelt has said, this plan probably has done the cause more harm than good.—Grants Pass Bulletin.

**LAKEVIEW NEWSPAPER COMES OUT FOR PLAN**  
The Tribune hereby serves notice that its off the fence and that from now on until the battle is over, or at least until someone can convince us otherwise, we're going to put in our oar, when possible, for Dr. Townsend and his old age pension cohorts, says the Lakeview Tribune. We aren't completely convinced that the plan will work out, as it sets today. But we aren't convinced that it won't and we've read some articles from presumably able economists who make it all sound quite plausible to say the least. Meantime, we certainly aren't going to put a stumbling block in the way of the old folks getting a break in their last years, even if it should cost us a few extra dollars a year from now . . . and the mental contentment and material comfort they might enjoy.

Its true enough that we've heard a number of localities tell us (practically to the point of scoffing) that its a wild-haired, unbalanced, sentimental impossible and unpractical pipe dream. But its a peculiar thing to note that all these individuals who have recounted the unsoundness and ill-advised logic of the plan, are all, without a single exception that we can remember at the moment, fixed in a material way so that their own particular chances of having enough cash on hand to take care of them (when they hit sixty) are a gold-blamed sight better than the average . . . yessiree . . . a gold-blamed sight better!

They say there are some ten million old folks who would benefit from the plan directly. At \$200 a month that would take a lot of cash and it does sound like a big spree . . . but I'm a horse's neck if I don't like the idea of giving it a try and putting on a good party for the old folks. It certainly would jar loose a lot of money and where it would end, we aren't quite sure (but we're optimistic). As the present set-up shows itself, even now as we look to a more prosperous horizon, we can't see . . . when our new prosperity starts coming back, when money starts circulating, when profits start coming in . . . that it won't all go back to the big boys anyhow . . . and

day in the markets and never be locked up. As stated before in this column, Uncle Sam has no circulating dollars of his own. They all belong to the bankers. They carry Uncle Sam's brand, but that is done for the bankers' protection, and in this way the bankers own all the dollars and all other credits used to carry on the business exchanges of the nation. In effect, all dollars and credits in the nation become the bankers' toll road. Why not the nation own the dollars and bankers too? If interest or toll services must be collected let such interest charges reduce our tax burdens and pay our old people's pension. This would end the bankers' toll road piracy on our nation's dollars and save the United States a billion dollars interest payments annually.

But dollars are not the only toll roads that are sapping our pockets. Oregon has 3,000 miles of hard surfaced roads with a bonded toll debt that calls for interest tolls at the rate of \$500 per mile annually. Ev-

ery bonded highway, street and alley in the nation becomes a toll road. Likewise every bonded sawyer, church, school house, court house and jail is a toll road; and then in the course of human events we come face to face with the final problem. Man or Mammon. At this critical stage Townsend's crusaders for old age revolving recovery pensions come into national militant action. Our cities say a national sales tax won't work; but why not investigate what kind of tax, if any, the Morgans, Mellons, Fords and oil magnates have used? They have operated under our laws and have literally taken everything in sight even to the ladder to the glory land. They have cunningly bribed courts, congress and legislatures, and have left our aged people broke, despondent, homeless and destitute. \$200 a month each for these honest and deserving old people would be a small indeed when compared to the monster rake-offs taken by the modern toll road pirates.

## HI-WAYS TO HEALTH

by ADA R. MAYNE

### OREGON DAIRY COUNCIL

## VEGETABLES IN THE WINTER DIET

Winter vegetables are what we have to plan with now and since choice, in most cases, is limited to a few old standbys as carrots, turnips, cabbage, onions, and a few greens, all of these vegetables have the same or better food value than those of higher price. The question is how to find ways to make these old standbys seem new and different.

It is important to serve an abundance of vegetables during the winter months as they, along with milk, fruit, and eggs, make up our list of protective foods. This means that these particular foods are our best sources of the minerals and the vitamins, and are just as important during the winter months as during the summer when gardens are producing.

There are many ways to serve winter vegetables. Panned cabbage or five-minute creamed cabbage are delicious, as are creamed greens or greens panned in milk. Mixed vegetables au gratin, or a cream of vegetable soup are nourishing main dishes. Here are a few winter vegetable recipes:

**Panned New Cabbage**  
3 quarts shredded or chopped cabbage  
4 to 6 tbsp. butter  
Salt  
Pepper  
Put the butter in a frying pan, add the cabbage cover to keep in the steam. Cook slowly and stir occasionally. When the cabbage has lost some of its crispness but still is green, sprinkle with pepper, more salt if needed, and serve at once.

**Carrots in Parsley Butter**  
8 or 10 medium-sized carrots  
1/2 teaspoon salt  
1-4 cup butter  
2 tbsp. lemon juice  
1 tsp. finely chopped parsley.  
Wash and scrape the carrots and cut them in slices, or dice them. Cook in a small quantity of boiling salted water for 10 to 15 minutes or until tender, drain, add the butter, lemon juice, and parsley, and serve at once.

**Cream of Vegetable Soup**  
2 tsp. finely chopped turnips  
2 tsp. finely chopped carrots  
2 tsp. butter  
1 tbsp. flour  
1 quart milk  
1 1-2 teaspoon salt  
Cook the finely chopped vegetables in the butter for 10 minutes, add the flour and stir until all are

well blended. In the meantime heat the milk in a double boiler, add a little of it to the vegetable mixture, stir well, combine with the rest of the milk, add the salt, and cook for 10 minutes. The flavor is improved if the soup is allowed to stand for a short time to blend before serving. Reheat and serve.

**BIG PAY OPPORTUNITY**

Large institution will train man right here in Central Point to qualify as installation and service expert in electric refrigeration and air conditioning. Prefer man mechanically inclined with fair education now employed. Must be willing to devote spare time to learning business. Learn while earning. Write, giving age, phone, present occupation.

**UTILITIES ENGINEERING INSTITUTE**  
404 N. Wells St., Chicago, Ill.

## STANDARD ROOFING CO.

Builders of Watertight Roofs

ESTIMATES AND INSPECTION WITHOUT CHARGE

Phone 865-J  
10th & Fir Medford

# ROXY 20c

Any Time, Children 10c

Saturday Only, Jan. 19  
Ken Maynard in  
"ARIZONA TERROR"  
also  
"PERILS OF PAULINE"

Sun., Mon., Jan. 20-21  
"ROMANCE IN THE RAIN"  
with  
Roger Pryor and Heath Angel

Tues., Wed., Jan. 22-23  
Zazu Pitts in  
"PRIVATE SCANDAL" with  
Phillipps Holmes and Mary Brian

Thurs., Fri., Jan. 24-25  
"CONSTANT NYMPH"  
With Brian Aherne  
From the novel by Margaret Kennedy

Continuous Shows, Sat. and Sun.  
1:30 to 11 p. m.  
Daily Mat. 1:45. Eve. 7 p. m.

**Medford's Greatest Entertainment**

**GRATERIAN**

Mats. 25c. Eves. 35c Kids 10c

Ends Saturday  
**SHIRLEY TEMPLE**  
"Bright Eyes"  
Prevue Sat. Nite

Sun., Mon., Tue.  
**ANN HARDING**  
**ROBT MONTGOMERY**  
"Biography of a Bachelor Girl"

Wednesday Only  
**Stage & Screen Show**

Starts Thursday—Walter Berry in "THE MIGHTY BARNUM"

**RIALTO**

Adults 25c Kids 10c

Fri., Sat.  
Nancy Carroll—George Murphy  
in  
"Jealousy"  
Prevue Sat. Nite

Sun., Mon.  
**CLAUDE RAINS**  
**JOAN BENNETT**  
"The Man Who Reclaimed his Head"

Tue., Wed., Thur.  
**CHARLES DICKENS'**  
**Great Expectations**